

City of Detroit


CITY COUNCIL

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DEPUTY DIRECTOR
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TO: Juanita Moore, President & Chief Executive Officer
Charles H. Wright Museum of African American History

FROM: Irvin Corley, Jr., Fiscal Analysis Director 

DATE: May 3, 2011

RE: 2011-2012 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2011-2012 Fiscal Year.

We would appreciate a written response to the issues/questions by **Tuesday, May 10, 2011**. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Thomas Lijana, Finance Director
Floyd Stanley, Budget Deputy Director
Renee Short, Budget Department Team Leader
Denise Gardner, Mayor's Office

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Charles H. Wright Museum of African-American History

FY 2011-2012 Budget Analysis by the Fiscal Division

Background

The Charles H. Wright Museum of African-American History is a nonprofit corporation that documents, preserves and educates the public on the history, life and culture of African Americans. Founded in 1965 by Dr. Charles H. Wright, the Museum serves as a resource center providing quality educational programs and exhibitions documenting the horror of slavery, the struggle for freedom, and the civil rights movement.

In 1999, the City entered into a long-term operating agreement with the Museum to manage and operate the facility, which also includes management and maintenance of the artifacts collection and presentation of exhibitions and their events. The Museum acts as an independent contractor of the City and, as such, has full authority to discharge its duties without restrictions, except for those imposed by the agreement. Under the terms of the agreement, the Museum petitions the city for operating funds each year.

The Museum receives operating funds from paid admissions, memberships, facility rentals, catering, store sales, special events, private contributions, and City's grants.

Summary

The Mayor's 2011-2012 Proposed Budget recommends a total contribution of \$1.9 million to the Museum, which is the same amount as the City's fiscal year 2010-2011.

Significant Changes in Funding by Appropriation

<u>Appro.</u>	<u>Program</u>	
05414	Museum of African American History - Operations	The Mayor's recommended budget of \$1.9 million for fiscal year 2011-2012 is the same as the Mayor's fiscal year 2010-2011 Budget.
10724	Museum of African American History	The Mayor's 2011-2012 Proposed Budget does not provide any funding for acquisitions – buildings.

Museum Operations

The Museum is open on the following days: Tuesday through Saturday from 9:00 a.m. to 5:00 p.m. and on Sunday from 1:00 p.m. to 5:00 p.m. The Museum has a total of 56 employees, 24 full-time and 24 part-time. There are eight part-time employees who are students/interns which are fully funded by a sponsorship.

The Fiscal Year 2011-2012 Preliminary Budget Forecast section of the Museum's Budget Request includes \$4,796,100 in revenues, \$4,796,100 in expenditures, with no surplus or deficit. The Mayor's recommended budget includes an operating subsidy of \$1,950,000, which is \$550,000 less than the subsidy requested amount by the Museum.

2010-201 Surplus/(Deficit)

The Museum anticipates a deficit for fiscal year 2010-2011 of, which is composed of \$4,397,092 in revenue and \$4,555.940 in expenditures.

Issues and Questions: Charles Wright Museum of African American History (MAAH) FY 2011-2012

1. Without any fundraising personnel, how will the Museum of African American History (MAAH) conduct their fundraising activities?
2. Since grant funds are becoming harder to secure, what strategies will the MAAH employ to raise additional funding for operations?
3. What steps is the MAAH taking to minimize the decrease in earned revenue (admissions, museum store sales and facility rentals) and membership revenue?
4. Are there any collaborative initiatives with the other cultural center institutions to increase membership and admission revenues? If so what are they? If not, why not?